



Legislative Fiscal Bureau

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February 18, 2013

TO: Members
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: Clarification of Information Presented in February 15 Memo Regarding MA
Eligibility Options under the Affordable Care Act

On February 15, 2013, this office distributed to all legislators a memorandum entitled "Analysis of Select MA Eligibility Options under the Affordable Care Act" that described a range of options the state could consider with respect to eligibility standards under the medical assistance (MA) program, beginning January 1, 2014. Preliminary enrollment and fiscal estimates associated with those options were also provided.

As noted in that memorandum, the estimates consider only the direct impacts of the specific MA eligibility changes envisioned under each scenario. The estimates explicitly do not consider several other factors that may also impact future state costs, such as increased MA enrollment due to a "woodwork effect" that may occur under the Patient Protection and Affordable Care Act for children and parents who are currently eligible for, but not enrolled in, BadgerCare Plus. This effect would be expected to occur to some extent regardless of any policy actions related to MA eligibility standards. However, the magnitude of that woodwork effect would be affected by changes to the eligibility standards for parents and caretaker relatives that would occur under several of the scenarios. In general, lower income limits for parents and caretakers would likely lead to lower enrollment impacts from the woodwork effect.

Due to differences in the potential woodwork effects that may result under several of the scenarios described in the memorandum, definitive comparisons between the preliminary estimates should not be made until assumptions regarding these differing woodwork effects and other factors are incorporated into the total cost estimates. As additional information becomes available, the preliminary estimates will be revised as warranted to address these and other factors.

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